

The background of the slide is a blurred financial chart, likely a stock price chart for ImgnTech. It features a line graph showing price fluctuations over time, with a red shaded area under the line. Text on the chart includes "ImgnTech Share Price", "Change on day 32.30", and "Change on day 1.95". The chart also lists various stock names and prices, such as "ImgnTech", "Fennir", "BarrettDeV", "bwin.party", "Downs", "Pennon", "Polymtlnt", "AngloAmer", and "Kenm". The date "2013/2013" is visible on the x-axis.

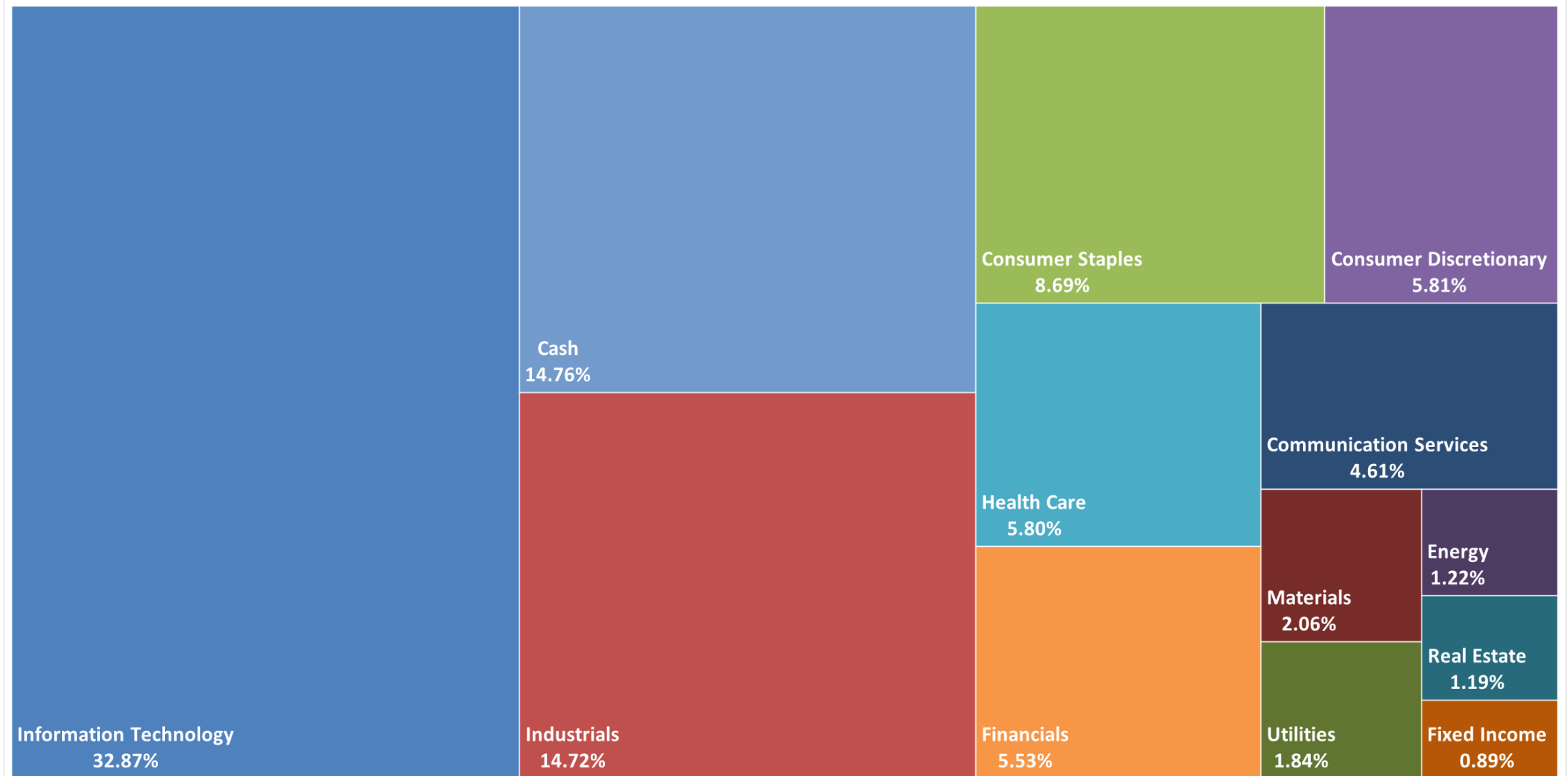
Mind the Gap

Guardians of the Balance Sheet

Emily Biagi, Austin Arnold, Isaac Middlemas, Kushal Golechha

3/23/26

Current Portfolio Allocation



Investment Thesis

Investment Thesis: Deploy excess cash and rebalance sector weights toward the S&P 500 to improve capital efficiency and reduce unintended sector risk

Additional Reasoning:

- Current sector drifts introduce uncompensated risk
- Elevated cash position creates a drag on returns
- Current market position provides an attractive entry point

Recommendation: Allocate approximately \$206,000 of excess cash to rebalance portfolio by buying VFH, VOX, VCR, VHT. While keeping ~5% (~\$100,000) cash in the portfolio



Proposed Purchases

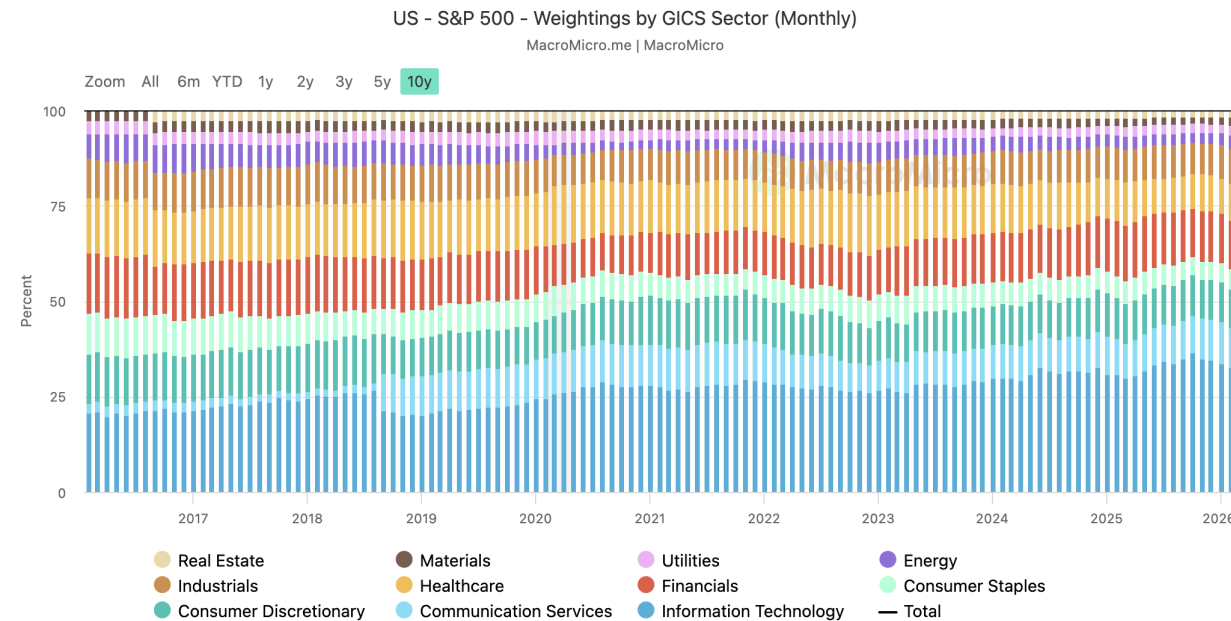
Name	Ticker	1-Year Return	3 -Year Return	5 -Year Return	Share Price	# of Shares	Total Value
Vanguard Financials ETF	VFH	1.75%	18.60%	9.20%	\$119.52	506.96	\$60,591.88
Vanguard Communication Services ETF	VOX	22.65%	26.76%	7.56%	\$182.65	284.04	\$51,879.96
Vanguard Consumer Discretionary ETF	VCR	9.84%	14.81%	4.67%	\$354.51	135.57	\$48,062.38
Vanguard Health Care ETF	VHT	2.3%	6.32%	4.91%	\$269.03	170.46	\$45,859.93



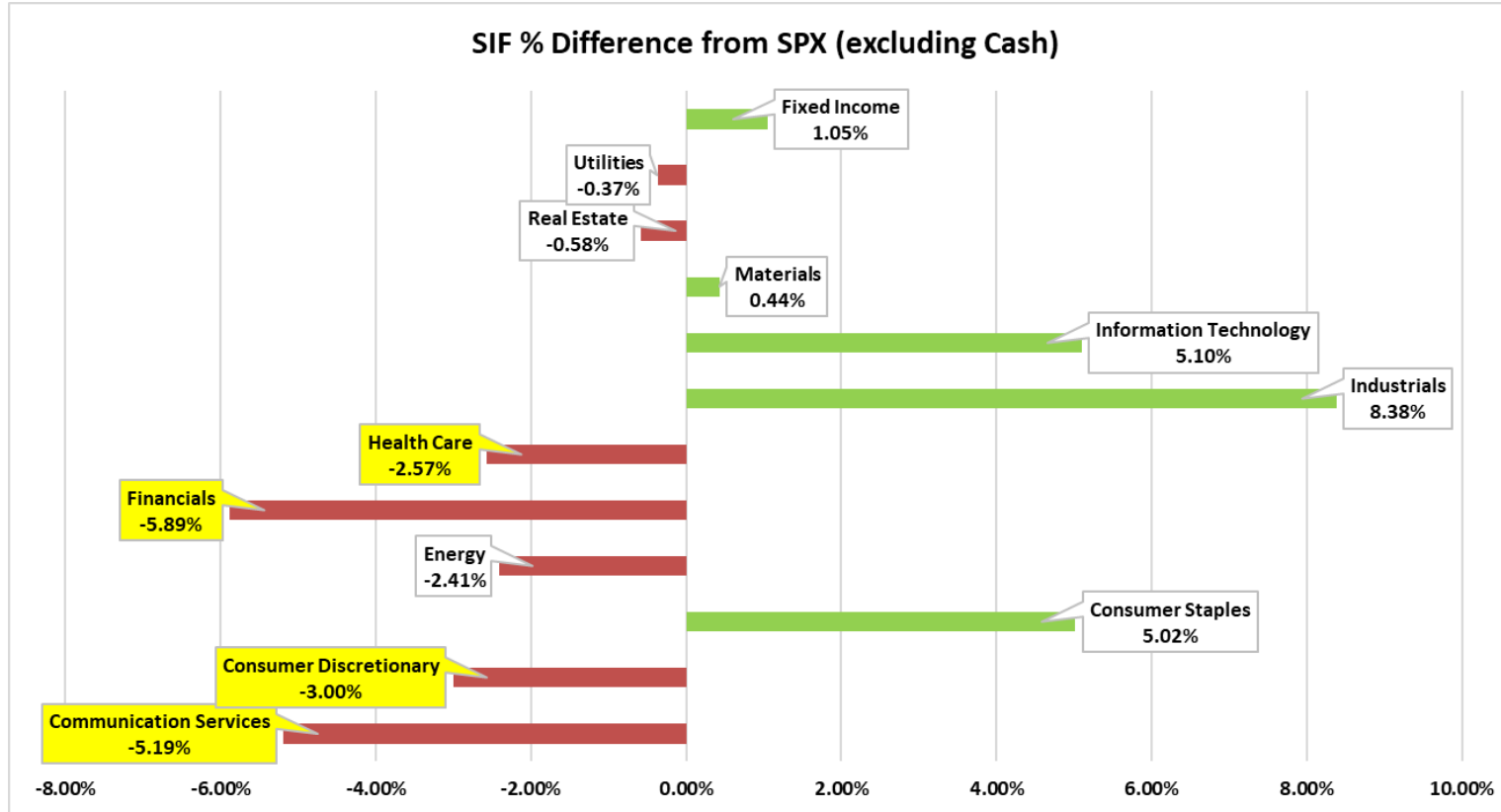
S&P Benchmark

The S&P is a useful benchmark for sector allocation because:

- Sector weights of the S&P reflect where capital is invested across large U.S. companies, reflecting market sentiment
- Structural diversification mitigates effect on the portfolio from sector shocks
- Helps us identify active bets by the fund in specific sectors



Our Fund Holdings vs. SPX



GICS Sector	SPX Weight	SIF Weight	Difference
Communication Services	10.60%	5.41%	-5.19%
Consumer Discretionary	9.82%	6.82%	-3.00%
Consumer Staples	5.17%	10.19%	5.02%
Energy	3.84%	1.43%	-2.41%
Financials	12.38%	6.49%	-5.89%
Health Care	9.37%	6.80%	-2.57%
Industrials	8.89%	17.27%	8.38%
Information Technology	33.46%	38.56%	5.10%
Materials	1.98%	2.42%	0.44%
Real Estate	1.97%	1.39%	-0.58%
Utilities	2.53%	2.16%	-0.37%
Fixed Income	0.00%	1.05%	1.05%



Proposed Purchases Continued

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Strategic Entry Points

- Deploying the cash now captures the discount at which these stocks are trading
- Waiting for market turnaround could result in buying after the initial recovery
- We are NOT proposing any sells, we just want to utilize the cash we have on hand at this moment

Security Name	% Change YTD	5-Year Q1 Averages
SPX (Benchmark)	-5.13	+3.1%
VFH (Financial Sector)	-10.78%	+3.8%
VOX (Communication Services)	-5.39%	+4.9%
VCR (Consumer Discretionary)	-9.48%	+1.4%
VHT (Health Care)	-6.83%	+2.7%



SIF Management Going Forward

- **Value Proposition**
 - This strategy gives future SIF managers ability to periodically pull from these ETFs as a separate piggy bank for purchases for different market conditions, rather than have non-accumulating cash
- **Use Cases**
 - Managers would use excess cash during market downturns to get these ETFs at a discount
 - Managers would sell off the ETFs during as they experience gains during bullish markets
 - Ex: A buy for Goldman Sachs would sell from the VFH rather than use cash,
 - Keeps sector allocation relatively constant



Financial Services – Top 10 Holdings

Ticker	Holdings	% of fund	Shares	Market value
JPM	JPMorgan Chase & Co.	9.27 %	4,291,768	\$1,288,817,930
BRK.B	Berkshire Hathaway Inc. Class B	8.40 %	2,312,891	\$1,167,894,310
MA	Mastercard Inc. Class A	5.30 %	1,423,692	\$736,347,739
V	Visa Inc. Class A	4.20 %	1,824,557	\$584,113,678
BAC	Bank of America Corp.	3.93 %	10,970,575	\$546,663,752
WFC	Wells Fargo & Co.	3.09 %	5,277,896	\$429,884,629
GS	Goldman Sachs Group Inc.	2.97 %	479,561	\$412,216,249
MS	Morgan Stanley	2.39 %	1,996,199	\$332,387,095
C	Citigroup Inc.	2.24 %	2,831,039	\$311,952,187
AXP	American Express Co.	2.06 %	926,536	\$286,206,970



Comm. Services – Top 10 Holdings

Ticker	Holdings	% of fund	Shares	Market value
META	Facebook Inc. Class A	22.05 %	2,153,350	\$1,395,758,403
GOOGL	Alphabet Inc. Class A	13.47 %	2,734,881	\$852,626,501
GOOG	Alphabet Inc. Class C	8.95 %	1,818,342	\$566,286,249
NFLX	Netflix Inc.	5.44 %	3,575,626	\$344,118,246
VZ	Verizon Communications Inc.	4.46 %	5,627,000	\$282,137,780
T	AT&T Inc.	4.25 %	9,600,113	\$268,899,165
DIS	Walt Disney Co.	4.20 %	2,506,517	\$265,791,063
CMCSA	Comcast Corp. Class A	2.99 %	6,114,776	\$189,313,465
TMUS	T-Mobile US Inc.	2.95 %	860,214	\$186,743,857
WBD	Warner Bros Discovery Inc.	2.91 %	6,543,967	\$184,343,550



Consumer Discretionary – Top 10 Holdings

Ticker	Holdings	% of fund	Shares	Market value
AMZN	Amazon.com Inc.	23.39 %	7,448,923	\$1,564,273,830
TSLA	Tesla Inc.	16.58 %	2,754,592	\$1,108,750,826
HD	Home Depot Inc.	5.30 %	931,122	\$354,496,768
MCD	McDonald's Corp.	3.68 %	721,270	\$245,996,346
TJX	TJX Cos. Inc.	2.73 %	1,129,302	\$182,562,961
LOW	Lowe's Cos. Inc.	2.26 %	570,599	\$150,963,377
BKNG	Booking Holdings Inc.	2.09 %	32,921	\$139,563,641
SBUX	Starbucks Corp.	1.70 %	1,159,509	\$113,655,072
RCL	Royal Caribbean Cruises Ltd.	1.24 %	266,237	\$82,789,058
ORLY	O'Reilly Automotive Inc.	1.23 %	877,533	\$82,382,798



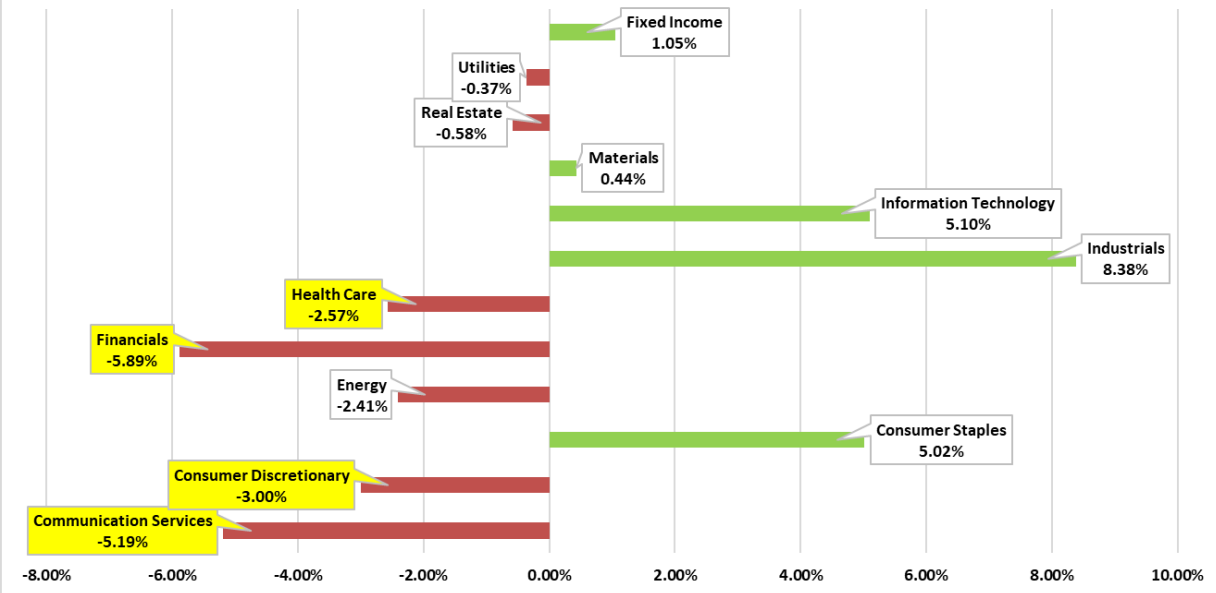
Healthcare – Top 10 Holdings

Ticker	Holdings	% of fund	Shares	Market value
LLY	Eli Lilly & Co.	12.57 %	2,419,875	\$2,545,684,301
JNJ	Johnson & Johnson	8.77 %	7,155,142	\$1,777,551,927
ABBV	AbbVie Inc.	6.10 %	5,322,180	\$1,235,171,534
MRK	Merck & Co. Inc.	4.57 %	7,474,431	\$925,484,046
UNH	UnitedHealth Group Inc.	3.95 %	2,727,843	\$799,994,517
AMGN	Amgen Inc.	3.11 %	1,621,547	\$629,419,684
ABT	Abbott Laboratories	3.01 %	5,236,186	\$609,230,241
TMO	Thermo Fisher Scientific Inc.	2.91 %	1,131,347	\$589,556,235
GILD	Gilead Sciences Inc.	2.75 %	3,736,155	\$556,500,287
ISRG	Intuitive Surgical Inc.	2.65 %	1,067,547	\$537,520,590

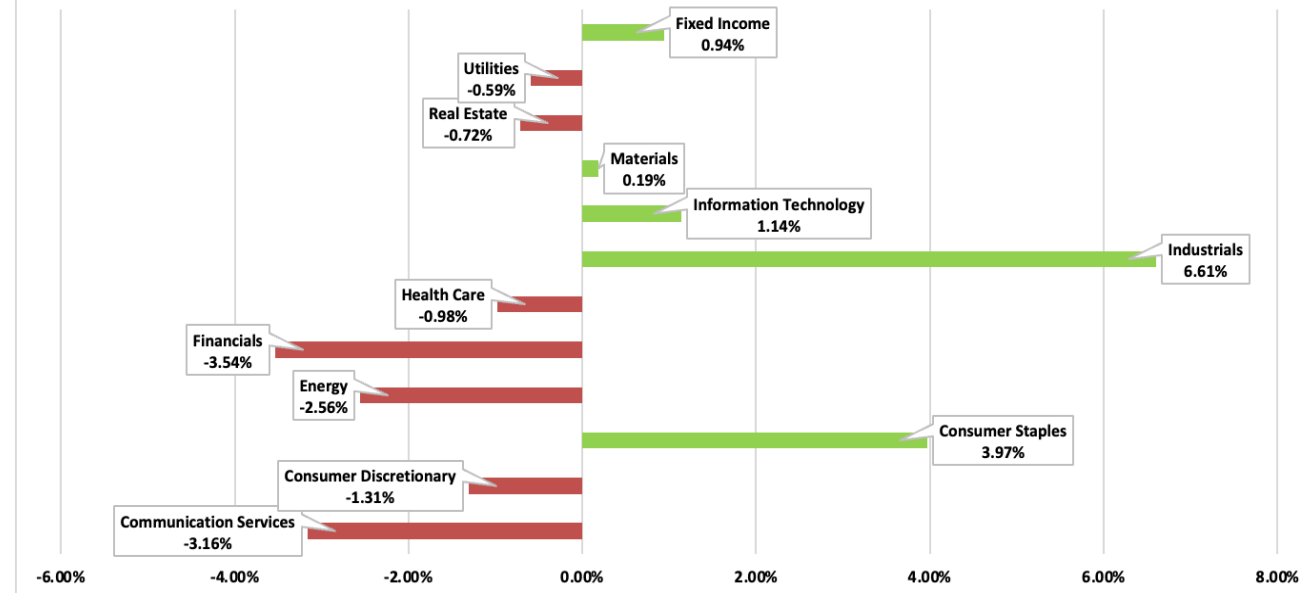


Effect on Portfolio

SIF % Difference from SPX (excluding Cash)



Updated SIF % Difference from SPX (excluding Cash)



Conclusion

Idea – Optimize the portfolio by deploying excess cash and rebalancing sector weights toward the S&P 500 to improve capital efficiency and reduce unintended sector risk

Strategy – Purchase \$206,000 across 4 sector ETFs

- VFH: ~\$61,000
- VOX: ~\$52,000
- VCR: ~\$48,000
- VHT: ~\$46,000

Effect on Portfolio – Brings sector weights closer to benchmark



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Exhibits - Ratios

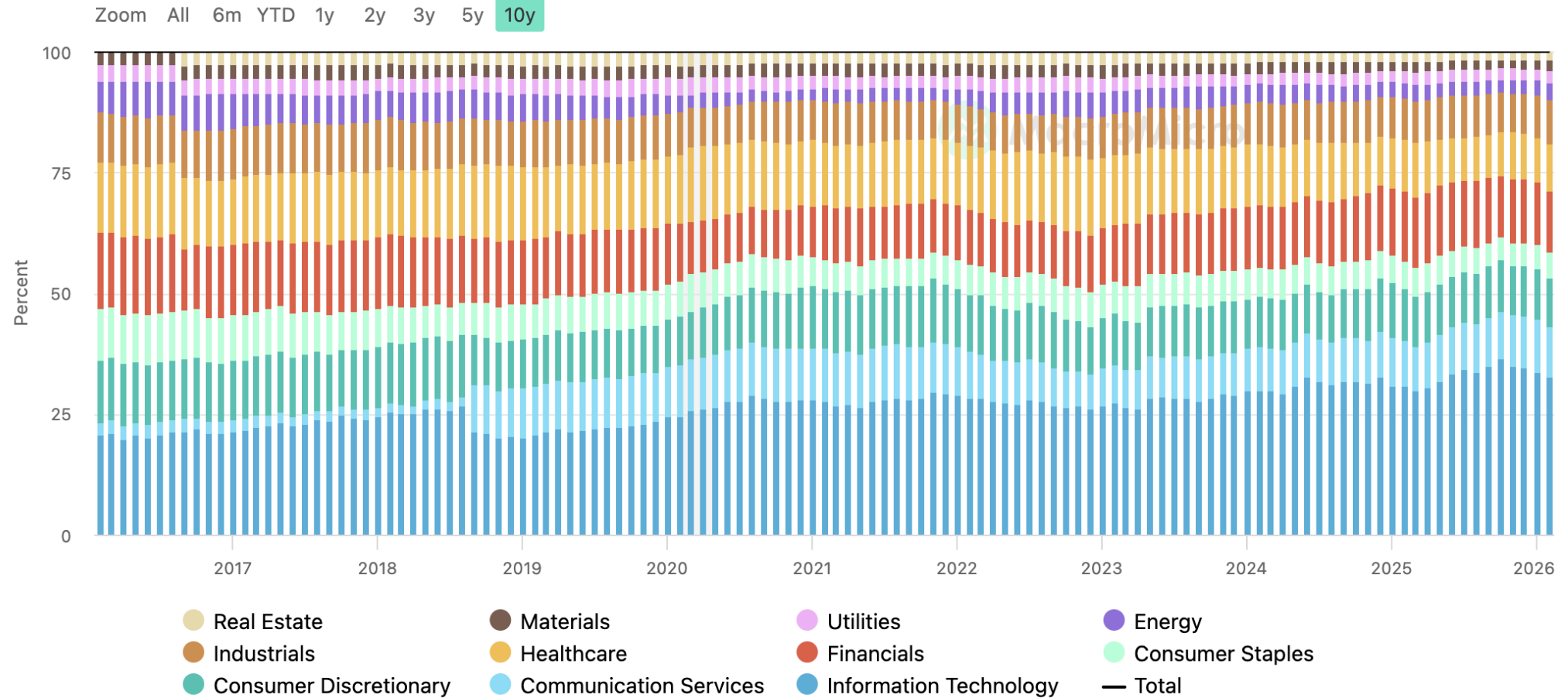
	Beta	Sortino
Financials	1.00	0.25
Communication Services	0.99	1.67
Consumer Discretionary	1.00	0.86
Health Care	1.00	0.71
Fund	1.01	0.06
New Fund	1.03	0.09



GICS Weighting S&P 500

US - S&P 500 - Weightings by GICS Sector (Monthly)

MacroMicro.me | MacroMicro



Current Portfolio Allocation – without cash

